

auto accidents obtain more expensive medical treatment if they file a claim against the other driver than if they collect from their own insurer, regardless of fault.

If there were fewer lawsuits for pain and suffering, overall auto insurance rates could drop sharply. Under current law, however, consumers cannot purchase auto insurance that omits coverage for pain and suffering.

#### *The Solution*

The President stated that on the first day of the next session of Congress, he will submit legislation proposing a Federal statute to permit purchasers of automobile insurance to opt out of pain and suffering claims.

Under the President's proposal:

- Consumers would be allowed to waive their right to sue for noneconomic (i.e., pain and suffering) damages. In return, they would be insulated from noneconomic damage claims by other motorists.
- Those electing to waive the right to sue for noneconomic damages would purchase personal insurance protection coverage, under which they would collect economic damages without regard to fault from their own insurer instead of suing other motorists. This would largely eliminate litigation costs and avoid the lengthy payment delays (usually 18 months or more) that are common under the current system.

- Those motorists not waiving this right would retain their coverage under the tort liability system. They would purchase coverage from their own insurer to cover all damages (for both economic and noneconomic losses) negligently caused by drivers who elect the personal insurance protection plan.
- All motorists would retain the right to sue for pain and suffering caused by intoxicated or criminally negligent drivers.
- All motorists would also be able to sue for all economic damages based on fault in excess of their own insurance coverage.

#### *The Benefits of the President's Proposal*

Although the proposal would benefit all motorists, the greatest cost benefits would go to consumers in high-premium areas, and especially to poor inner-city residents, many of whom now drive illegally without insurance. This proposal presents a sharp contrast to the nonmarket approaches preferred by the Democrats, such as mandatory rollbacks, surcharges on insurers, and rigid rate regulation, which try to force businesses to engage in losing ventures. This proposal also reinforces the President's call for legal reform and makes clear that consumer empowerment and choice is the key to better insurance.

## Statement on Signing the Community Environmental Response Facilitation Act

*October 19, 1992*

I am signing into law H.R. 4016, the "Community Environmental Response Facilitation Act," which requires Federal agencies that intend to terminate operations on real property to identify those portions of the property that are not contaminated by hazardous waste or petroleum products.

The Act would, among other things, require agencies to obtain the concurrence of the appropriate State official in order to complete identification of certain prop-

erty as uncontaminated. If this requirement were understood to allow the State official to prevent a Federal agency from disposing of property, then the Act would, in effect, be granting Federal Executive power to a person who has not been appointed in conformity with the Appointments Clause of the Constitution, Article II, section 2, clause 2.

In order to avoid this constitutional diffi-

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culty, I instruct all agencies affected by this Act to construe a State official's failure to concur as a statement of that official's views, but not as a bar to transfer of the property. Because the Act nowhere states the consequences of a failure to concur, a Federal agency may terminate operations on a property and dispose of it, in accordance with applicable Federal laws, regardless of

whether a State official fails to concur in the identification of it as uncontaminated.

GEORGE BUSH

The White House,  
October 19, 1992.

*Note: H.R. 4016, approved October 19, was assigned Public Law No. 102-426.*

## Letter to Congressional Leaders Reporting on the Cyprus Conflict *October 19, 1992*

*Dear Mr. Speaker: (Dear Mr. Chairman:)*

In accordance with Public Law 95-384 (22 U.S.C. 2373(c)), I am submitting to you this bimonthly report on progress toward a negotiated settlement of the Cyprus question. This report covers the months of July and August 1992.

The New York negotiations resumed, as scheduled, on July 15 on the same basis as they had recessed with the Secretary General having separate meetings with the leaders of the two Cypriot communities ("proximity talks").

On the first day of this new negotiating session, the U.N. Secretary General gave his "set of ideas" for a Cyprus settlement, including a U.N. suggested map of territorial adjustments, to the two Cypriot delegations. Both sides accepted the documents and signalled their readiness to use them as the basis for negotiations. Mr. Denktash, however, objected to the U.N. map, and after lengthy discussion with the U.N. negotiators over several weeks, indicated his intention to accept a Turkish Cypriot federated state that constituted "29 plus percent" of a future Cyprus federated republic, a formulation he had accepted in the mid-1980s. Mr. Denktash made several specific proposals, none of which came close in quality or quantity to the territorial adjustments suggested in the U.N. map. The Secretary General's account of the negotiations on this issue is detailed in paragraphs 17 through 29 of his August 21 report to the Security Council on his mission of good offices in Cyprus, which is attached to this

letter.

The question of displaced persons was also discussed in detail during the July-August negotiations. The Turkish Cypriot side accepted the principles of the right to return and the right to property, provided that "practical difficulties" on the Turkish Cypriot side would be taken into account. Mr. Denktash wanted particularly to exempt certain categories of Turkish Cypriots from the obligation to vacate their current homes and to provide a review mechanism for cases in which there were conflicting claims. The Greek Cypriot side agreed, the Secretary General reported, that, in this as in all other respects, the "set of ideas" provided the basis for reaching an overall framework agreement. Paragraphs 27 through 32 of the Secretary General's August 21 report cover the negotiations on displaced persons.

The U.N. negotiators reviewed the other six headings of the "set of ideas," including constitutional arrangements, with the two Cypriot community leaders on the last days of the proximity talks.

In all, the U.N. Secretary General and his representatives had more than three dozen separate meetings with the two leaders between July 15 and August 11. During this period and during the direct talks that followed, the U.S. Cyprus Coordinator, Ambassador Nelson Ledsky, and the U.S. Ambassador to Cyprus, Robert Lamb, were in New York to coordinate with the U.N. negotiators, with the representatives of the two